

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF PUERTO RICO**

-----X
In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

**Re: ECF No. 663, 674, 858, 1032,
1039, 1303, 1310**

(Jointly Administered)

-----X
In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (“HTA”)

Debtor.

PROMESA

Title III

No. 17 BK 3567-LTS

**This Joint Motion relates only to
HTA and shall be filed in the lead
Case No. 17 BK 3283-LTS and Case
No. 17 BK 3567-LTS.**

**SECOND JOINT NOTICE AND STIPULATION AMENDING DEADLINES AGREED
[ECF No. 1303] CONCERNING THE REQUEST
FOR RELIEF OF STAY FILED BY HTA MANAGERIAL EMPLOYEES**

COME NOW, the Managerial Employees of the Puerto Rico Highway and Transportation Authority (“HTA”) listed in Exhibit I of the *Motion Requesting Relief From Stay* (Dckt. 663) (the “Stay Motion”),

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

hereinafter designated as the “Movants,” and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) on behalf of HTA, through their respective counsel and respectfully state and pray:²

1. On July 19, 2017, the Movants filed the Stay Motion, pursuant to Bankruptcy Code section 362(d)(1), requesting this Honorable Court lift the automatic stay under Bankruptcy Code section 362(a), made applicable by PROMESA section 301(a) (the “Title III Stay”), of the legal proceedings concerning employment claims filed and prosecuted against HTA by Movants before different Commonwealth judicial and administrative forums. See ECF No. 663.

2. On August 2, 2017, AAFAF, on behalf of HTA, filed an objection to the Stay Motion (ECF No. 858) (the “Objection”). In the Objection, AAFAF argued, among other things, that it needed additional time to evaluate Movants’ claims in the overall context of HTA’s Title III case. It also pointed to Movants’ failure to provide information about the status and stage of each of the 115 employment claims prosecuted by them, which have been stayed upon the commencement of HTA’s Title III case.

3. As set forth in the *Joint Motion and Stipulations Concerning the Request for Relief of Stay Filed by The HTA Managerial Employees* (ECF No. 1032, hereinafter the “Joint Motion”) filed on August 15, 2017, Movants and HTA reached an agreement to adopt a process that would allow HTA to receive particularized information on each of the claims involved in the Stay Motion and for both parties to conduct discussions in an effort to reach agreements regarding Movants’ request for relief from the stay. Pursuant to the Joint Motion, the parties agreed to the following:

- The Movants agreed to “furnish HTA with particularized information concerning each claim included in the list attached as Exhibit 1 to the Motion, including a summary of the nature of the claim, the status and stage of the proceedings, and any other information

² The Financial Oversight and Management Board for Puerto Rico, as the Debtors’ representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”), has authorized AAFAF to consent to this joint motion on behalf of HTA.

that may be relevant to Sonnax factors nos. 1, 10, & 11.” See Joint Motion at 4.a. The deadline for Movants to furnish this information to HTA (represented here by AAFAF) would expire on September 14, 2017, 30 days from the filing of the Joint Motion. *Id.*

- After the Movants provided the information regarding each of the claims, HTA agreed to “make an individual analysis of the request for relief of stay for each claim and will respond to the Movants, through their counsel, whether it will withdraw its objection to the lift of the stay.” See Joint Motion at 4.b. This response would be due 45 days after Movants provided the relevant information on each claim. *Id.*
- The Stay Motion would be held in abeyance for a period of ninety (90) days expiring on November 12, 2017.

4. On August 15, 2017, this Honorable Court entered the *Order Granting Joint Motion and Stipulations Concerning the Request For Relief of Stay Filed by HTA Managerial Employees* (ECF No. 1039) (the “Order”) granting the Joint Motion and adopting the stipulations of the parties set forth therein.

5. Due to the circumstances caused by the close passage to Puerto Rico of Hurricane Irma on September 6, 2017, the parties filed a *Joint Notice Extending and Stipulations Amending Deadlines Agreed at Docket 1032 Concerning the Request for Relief of Stay Filed by HTA Managerial Employees* (ECF No. 1303), requesting an extension of the deadlines set forth in the Order. On September 15, 2017, the Court entered an order approving the following extensions (ECF No. 1310) (the “First Extension Order”):

- October 13, 2017 - Movants to furnish particularized information of the relevant claims to HTA.
- November 27, 2017 - HTA to furnish an answer to Movants informing them of its position concerning the request for relief of stay as to each individual claim.
- November 28, 2017 - December 11, 2017 - the parties to meet and confer in an effort to reach an agreement on any remaining controversies concerning the request for relief of the stay of the proceedings corresponding to the claims being prosecuted by Movants against HTA.
- December 12, 2017 - the parties to file a joint motion informing the Court of the results of the negotiations, any agreements obtained, and any remaining controversies.

6. Shortly after entry of the First Extension Order, on September 20, 2017, Hurricane Maria—

the fifth strongest hurricane to ever hit the United States—made landfall in Puerto Rico. As a result of these devastating storms, Puerto Rico is currently facing one of its worst crises in modern history.

7. Due to the circumstances that have arisen in Puerto Rico after the passage of Hurricane Irma and Hurricane Maria, the parties are unable to comply with the deadlines set forth in the First Extension Order. Among other things, the widespread power outages, lack of fully functional telecommunications infrastructure, and the closure of various offices, has prevented Movants from finishing the gathering of information that HTA needs to make an individual assessment of the request for relief of stay for each of the relevant claims.

8. In consideration of the above, the parties have agreed to request an amendment of the First Extension Order to extend the deadlines set forth therein, and request the Honorable Court to extend the period during which the Stay Motion, as well as the Objection filed by HTA (ECF No. 858), are held in abeyance.

9. The new deadlines agreed to by the parties are as follows:

- November 30, 2017 - Movants to furnish particularized information of the relevant claims to HTA.
- January 15, 2018 - HTA to furnish an answer to Movants informing them of its position concerning the request for relief of stay as to each individual claim.
- January 16, 2018 - January 31, 2018 - the parties to meet and confer in an effort to reach an agreement on any remaining controversies concerning the request for relief of the stay of the proceedings corresponding to the claims being prosecuted by Movants against HTA.
- February 1, 2018 - the parties to file a joint motion with the Court informing the Court of the results of the negotiations, any agreements obtained, and any remaining controversies.
- All other agreements and provisions set forth by the parties in the Joint Motion maintain their full force and effect.

10. The parties respectfully request the Honorable Court amend the First Extension Order (ECF No. 1310) to adopt the new deadlines set forth above and hold the Stay Motion, as well as the Objection, in abeyance until February 15, 2018.

WHEREFORE, the appearing parties respectfully request this Honorable Court to approve the agreements as set forth above.

CERTIFICATE OF SERVICE

COUNSEL FOR BOTH PARTIES CERTIFY that on this date, this document has been electronically filed with the Clerk of the Court using the CM/ECF System, which will send notice to all registered participants.

COUNSEL FOR MOVANTS certify they have also sent a true and exact copy of this Motion via regular mail and e-mail to counsel for HTA in various of the proceedings that have been stayed pursuant to the commencement of HTA's Title III case, including: Lcdo. Juan M. Maldonado De Jesús, Oficina del Asesor Legal ACT, P.O. Box 42007 San Juan, Puerto Rico 00940-2007 and jumaldonado@dtop.pr.gov; Carlos J. Garcia Bonilla, Oficina de Asesoría Legal ACT, PO Box 42007 San Juan, Puerto Rico 00940-2007 and cjpgarcia@dtop.pr.gov; María Elena Vázquez Graziani and Rocío Ramos Santiago, Vázquez Graziani & Rodríguez, 33 Calle Resolución, Suite 805 San Juan, Puerto Rico 00920-2707 and rocioramos@vgrlaw.com and vazgra@vgrlaw.com, respectively; Sarah G. Sáez López and Raúl Castellanos, Development & Construction Law Group LLC PMB 443, Suite 112, 100 Grand Paseos Boulevard San Juan, Puerto Rico 00926 and rcastellanos@devconlaw.com and ssaez@devconlaw.com, respectively.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 24th day of October, 2017.

/s/JESÚS R. MORALES CORDERO
USDC-PR 210609
BUFETE MORALES CORDERO, CSP
Attorneys for Movants
PO Box 363085
San Juan, Puerto Rico 00936-3085
Tel. (787) 624-4299/Fax (787) 777-1410
bufetemoralescordero@gmail.com/moracor@gmail.com

/s/John J. Rapisardi
Suzanne Uhland
Diana M. Perez
(Admitted Pro Hac Vice)
O'MELVENY & MYERS LLP 7
Times Square New York, NY 10036
Tel: (212) 326-2000 Fax: (212) 326-2061

-and-

Peter Friedman
(Admitted Pro Hac Vice)
O'MELVENY & MYERS LLP 1625
Eye Street, NW
Washington, DC 20006 Tel: (202)
383-5300 Fax: (202) 383-5414

Attorneys for the Puerto Rico Fiscal
Agency and Financial Advisory
Authority

/s/Andrés W. López

USDC No. 215311

THE LAW OFFICES OF
ANDRÉS W. LÓPEZ, P.S.C.

902 Fernández Juncos Ave.

San Juan, PR 00907

Tel: (787) 294-9508

Fax: (787) 294-9519

Co-Attorney for the Puerto Rico

*Fiscal Agency and Financial Advisory
Authority*